

## **REMARKS/AMENDMENTS**

### **I.     Introductory Remarks.**

The Applicant wishes to thank the Examiner for his comments in the Office Action mailed 20 February 2007. This paper addresses the issues raised in the Office Action. Claims 1-229 are currently pending in the application. Of the pending claims, 1-139 and 187-229 are withdrawn from consideration. In the referenced Office Action, the Examiner rejected Claims 140-186.

### **II.    Rejection of Claims 140-186 under 35 U.S.C. § 103(a)**

Claims 140-186 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Fox et al. (U.S. 5,491,629). The Applicant respectfully traverses the Examiner's rejection.

As per Claim 140, upon which all the other rejected claims are dependent, the Examiner has broken down the claim into discrete items she believes are obvious in the prior art. We have addressed this response to correspond to the Examiner's Office Communication for ease in understanding our objections to the Examiner's rejections. The Applicant is in no way admitting to any type of breakdown by the elements of the rejected claims based on this response being framed

to the Examiners format of rejections.

The Examiner cites Fox et al. as disclosing a method implemented on a computer system via a plurality of software modules for managing a workflow process, the method assisting a user with procurement decisions, sourcing decisions and strategic sourcing decisions in an enterprise regarding one or a plurality of items, and comprising the steps of: discovering, via one or more of the software modules, internal and external data related to at least one item based on user-defined parameters, wherein the discovered internal and external data is extracted from a plurality of data sources internal and external to the enterprise.

The Examiner argues that Fox discloses a computer system that uses internal and external data to determine an impact on the retail industry. The Examiner details that the internal and external data is used to revise a managerial plan (i.e., make strategic decisions). However, a thorough review of Fox shows that it only utilizes a “multiple regression correlation technique to generate a weather impact model which correlates weather and other variables with store information for specific locations.” (See Fox Col. 6, lines 20-23). “Since the original managerial plan does not typically consider weather effects in any systematic function, a user can utilize the deweatherized data to generate a revised managerial plan.” (See Fox Col. 6, lines 32-35).

The plurality of software modules for managing a workflow process of Applicant’s present invention is tremendously dynamic in regards to the discovering of internal and external data related to the user-defined parameters. Applicant’s present invention has access to a continuous supply of both internal and external data necessary for making critical business decisions. The functionalities of Applicant’s discovery services include extraction, transformation, loading and normalization/integration of internal data and external data; scanning of data, such as component data, which has been aggregated across the enterprise; real-time searching of data and data sources; and customization of real-time alerts and news feeds. After discovery services execute one or a plurality of functions based on user-defined criteria, then the data is made available to analysis services. This is in contrast to Fox et al., which must use the correlation technique, determine the relationship, generate a normalized baseline and then revise the plan. Fox does not disclose or teach

the method of Applicant's present invention.

The Examiner cites Fox et al. as disclosing the step of storing the discovered internal and external data in a data mart. The Examiner states that this is disclosed in item 120 in Figure 1 of Fox. Item 120 is simply a data storage and retrieval facility that receives store information using computer hardware and software. As stated at Fox Col. 9 lines 60-67, "The data storage and retrieval facility 120 receives external information 136 and store information 116 using computer hardware 122 and software 124. Depending on the MIS age, scope and type of data, and retailer resources, the data storage and retrieval facility 120 can be a mainframe computer, midrange computer or Personal Computer (PC) network configuration.

The data mart 74 of Applicant's present invention includes a plurality of databases and database management systems that collectively store and analyze internal data and external data. At each step of the Value Chain Intelligence workflow process of Applicant's invention, the resulting data is reintegrated back into the data mart, where it may be incorporated into a subsequent generation of data. Fox et al. does not disclose or teach this level of sophisticated service of a data mart.

The Examiner cites Fox et al. as disclosing the step of identifying, via one or more of the software modules, one or more conditions related to the at least one item or related to procurement, sourcing, and strategic sourcing in the enterprise of the at least one item. The Examiner supports his argument by stating that Fox discloses "a correlation processor is used to identify conditions (i.e., change in weather, sales, etc.) associated with deweatherized data. The conditions are deviations from the baseline that is created, where the deviations are used to revise the managerial plan." Once again, Fox's disclosure does not meet any of the levels of sophisticated technology that are implemented in Applicant's invention. In Applicant's invention, the identification module identifies which components are strategic and which components are tactical, helping users focus on the most critical components. A "criticality" rating" is generated based on a pre-determined scale, which is derived from a plurality of variables. This module then generates reports and allows users to select which parts to consider strategic and which tactical by defining a criticality rating threshold for each

category. Users then define different weights for each variable in the formula, thus customizing the formula.

In regards to the steps of analyzing, via one or more of the software modules, the discovered internal and external data, wherein an assessment is made of the impact or potential impact of the discovered internal and external data on procurement decisions, sourcing decisions and strategic sourcing decisions in the enterprise with respect to the at least one item; the Examiner states that this “analysis of the potential impact is made” in Fox. In Applicant’s present invention the system and method for data analysis function includes data visualization, forecasting, risk analysis, and what-if scenarios. In Fox, the invention merely is able to forecast and produce an weather modified managerial plan based upon substitution of forecasted weather information and thereby generating a relative comparison of weather impact on specific products at specific locations and times.

In the Applicant’s present invention, analysis services performs quantitative and qualitative analysis on the data results of discovery services via a plurality of algorithms. Analysis services may be customized based on user-defined criteria. For instance, a client may request risk analysis, involving applications associated with analysis services to provide a plurality of analyses, such as model and forecast revenues based on inventory levels, demand forecasts, market pricing, availability of constituent parts, etc. Such analyses are functions of modules in the system; the modules implement a plurality of data and analysis tools, which offer solutions to domain-specific problems.

Analysis services thus examine and analyze a plurality of discovered data, such as contract terms, performance metrics, current inventories, surplus and shortages, warehouse locations, etc., and produce one or a plurality of reports based on the subsequently analyzed data. For example, internal data and external data may be analyzed by one or more modules to assess the impact or potential impact of internal data and external data on procurement decisions, sourcing decisions and/or strategic sourcing decisions in the enterprise with respect to one or more items. Accordingly, analysis services selects from one or more user-defined parameters for internal data and external data (i.e., allow user control over the parameters on which the analysis will be based), selecting

values, value ranges, and/or conditions for the user-defined parameters, establishing weight(s) or relative weight(s) for the user-defined parameters, and/or prioritizing weight(s) or relative weight(s) for the user-defined parameters. The resulting data of analysis services are then preferably reintegrated back into data mart. The technology of Applicant's present invention is completely novel and not obvious in light of Fox et al.

The Examiner cites Fox et al. as disclosing the step of recommending to the user, via one or more of the software modules, one or more proposed actions with respect to the procurement, sourcing or strategic sourcing of the at least one item on behalf of the enterprise based on the analysis of the discovered internal and external data.

The Examiner states that Fox discloses "a revised managerial plan is generated in response to the analysis of the potential impact, where the revised managerial plan includes new/alterd (i.e. recommended) actions to the original managerial plan. Examples of a managerial plan are product buying, product distribution and labor scheduling".

In Applicant's invention, the recommendation functions of the Value Chain Intelligence system, include inventory management, contract negotiations, purchasing recommendations, data optimization, supplier allocation, demand aggregation, spot market analysis, and market and news alerts. The recommendation services collect analyzed data and user inputs about preferred constraint criteria in real time, and integrate it with current data in the databases and the data results of analysis services. Recommendation services then examine the analyzed data according to user-defined criteria (such as priorities and preferences) and make recommendations (such as what to buy, when to buy, how much to buy, from whom to buy, what to sell, when to sell, how much to sell, to whom to sell, etc.).

Preferably recommendation services apply a plurality of algorithms that optimize the analyzed data based on specific variables, such as price, quantity, time to delivery, client preferences, utility functions, business rules, etc. Recommendation services then preferably run the data through its algorithms, making a recommendation or plurality of recommendations based on

the resulting data, displaying it via a generated report or the user interface of VCI system. The resulting data are then preferably reintegrated back into the data mart. The functionalities of recommendation services enable the user to define priorities, set parameters, and optimize outcomes based on those parameters. For example, a user may ask for a recommendation about how many components should be held in inventory and how many components should be allocated across divisions. After recommendation services have determined recommendations based on user-defined criteria and parameters, then the resulting data is made available to execution services. The technology of Applicant's present invention is completely novel and not obvious in light of Fox et al.

The Examiner cites Fox et al. as disclosing the step of providing to the user, via one or more of the software modules, one or more computer-initiated options for fully or partially executing one or more action(s) with respect to the procurement, sourcing or strategic sourcing of the at least one item on behalf of the enterprise.

The Examiner states that this step is disclosed in Fox whereby "the user has the option to modify the managerial plan. If the user cannot generate a managerial plan, the system then generates one." Once again the disclosure in Fox does not implement the tasks that Applicant's present invention does. In Applicant's invention the execution services provides a means of implementing and automating the recommended tasks. The execution services implement and automate the data results of recommended services and recommend specific actions based on user-defined criteria. The user chooses to either set the automation features of execution services to automatic mode, which automates all of the features and actions, or chooses to set the automation features to semi-automatic mode, which allows the user to automate some features and actions while not automating others. Further, the user may chose to request that the system generate a computer-readable output that can be fed into another system that initiates or effects action with that data.

The functionalities of execution services in Applicant's present invention, enable users to integrate the system with other process-oriented ERP and SCM applications to pursue a plurality of actions. The functionalities of execution services could include: Providing agents that follow user-defined rules to enable hands-free handling of user-defined exceptions and processes.

Initiating a transaction via another application. For example, a user may initiate a transaction for purchasing a specific component from a specific vendor. Carrying out certain transactions, such as generating and sending out a RFQ. Changing information in an internal application. For example, a user may change the part number of a specified component in a Bill of Materials (BOM) after being alerted that the component is being discontinued.

The Examiner concedes that Fox et al. does not expressly disclose if at least one of the one or more conditions is satisfied, generating, via one or more of the software modules, at least one alert for the user. The Examiner has taken Official Notice that it is old and well known in workflow management processes to alert users of certain conditions in order to make the user aware of certain conditions happening during a workflow process so that the user can take certain actions at that time if necessary. The Examiner states that it would have been obvious at the time of the invention to a person of ordinary skill in the art to modify Fox et al. to alert a user of a satisfied condition so that the user is made aware of a certain threshold being crossed and is able to take certain actions regarding the condition, if necessary, thereby providing the user with instant feedback regarding the status of things.

The data alert module of Applicant's invention is novel in that it enables users to monitor vast amounts of data by identifying conditions for which they choose to be alerted. Such alert conditions may include any data accessed by the data discovery module and allow users to identify and implement actions based on specific variables. Alerts may be specified by a user who fully specifies the conditions that will trigger the alert. Alternatively, the user may select and/or further specify alerts from a list of alerts that the system presents to the user via a user interface. Thus, in accordance with the present invention, alerts enable the user to monitor vast amounts of information by identifying conditions for which they choose to be alerted. Such conditions may range across any data of data mart, this is where the novelty in this step lies, as well as within the combination of steps of the claim.

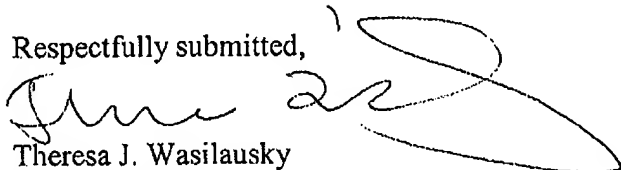
Fox does not teach all the required elements of the method of Applicants present invention, and therefore it cannot anticipate the pending claims. Even in combination with the Official Notice taken by the Examiner, the combination has failed to teach the required elements.

The rejections set forth in the pending Office Action are thereby rendered moot by the foregoing arguments. Since all of the rejected claims are dependent upon Claim 140, and the Applicant's have rendered moot all the rejections for Claim 140, all of the pending rejected claims are in a condition for allowance. Reconsideration of this rejection is respectfully requested.

### CONCLUSION

The Applicants would like to again thank the Examiner for his remarks in the Office Action dated 20 February 2007. Applicants respectfully request that the rejected Claims be reconsidered in light of the foregoing remarks. Applicant reserves the right to file one or more continuation applications based on the above referenced application. The Examiner is further cordially invited to telephone the undersigned for any reason, which would advance the allowance of the pending claims.

Respectfully submitted,

  
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